

CASE

NUMBER:

99-220

INDEX FOR CASE: 99-220
ALICE LLOYD COLLEGE CANEY CREEK COMMUNITY CENTER
Investigation - Service
COMPREHENSIVE INSPECTION

IN THE MATTER OF ALICE LLOYD COLLEGE ALLEGED VIOLATIONS OF
ADMINISTRATIVE REGULATION 807 KAR 5:022 AND 49 CFR 189-199

SEQ NBR	ENTRY DATE	REMARKS
0001	06/08/99	Order entered; schedules 7/13 hearing; info due 6/28
M0001	06/28/99	FRANK CHUPPE ALICE LOYD COLLEGE-MOTION FOR INFORMAL CONFERENCE
0002	07/09/99	Order cancelling 7/13 hearing; schedules 7/13 informal conference
0003	07/21/99	Informal Conference Memorandum
M0002	07/27/99	ALICE LOYD COLLEGE FRNAK CHUPPE-RESPONSE TO INTRAAGENCY MEMO
0004	08/27/99	FINAL ORDER; ASSESSES PENALTY OF \$400 (SUSPENDED AND HELD IN ABEYANCE FOR 3 YRS)



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 99-220
ALICE LLOYD COLLEGE CANEY CREEK COMMUNITY CENTER

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on August 27, 1999.

Parties of Record:

Danny Kimball
Director, Physical Plant
Alice Lloyd College
Caney Creek Community Center
Purpose Road
Pippa Passes, KY. 41844

Honorable Frank F. Chuppe
Counsel for Alice Lloyd College
Wyatt, Tarrant & Combs
Citizens Plaza
Louisville, KY. 40202 2898

Stephanie D. Bell

Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALICE LLOYD COLLEGE)
)
 _____) CASE NO. 99-220
)
 ALLEGED VIOLATIONS OF)
 ADMINISTRATIVE REGULATION)
 807 KAR 5:022)

O R D E R

Alice Lloyd College ("Alice Lloyd") is a master meter system operator that receives natural gas from Columbia Gas of Kentucky and Columbia Transmission.

Alice Lloyd, as a master meter operator, is subject to the safety jurisdiction of the Commission, pursuant to KRS 278.495. Alice Lloyd is also subject to Commission jurisdiction under the authority of and in compliance with federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations of 49 CFR 189-199 and KRS 278.992(1).

Pursuant to these statutes and 49 CFR 189-199, the Commission promulgated Administrative Regulation 807 KAR 5:022. Commission Staff has submitted to the Commission a Comprehensive Inspection Report, dated April 26, 1999, in which Commission Staff alleges the following four violations:

1. No valve inspection records for the years 1996, 1997 and 1998. 807 KAR 5:022, Section 14(25) and 49 CFR Part 192.747.
2. No regulator inspection records for 1996, 1997 and 1998. 807 KAR 5:022, Section 14(21) and 49 CFR, Part 192.739.

3. No relief value inspection records for 1996, 1997 and 1998. 807 KAR 5:022, Section 14(23) and 49 CFR Part 192.743.

4. No system patrolling records for 1996, 1997 and 1998. 807 KAR 5:022, Section 14(12) and 49 CFR, Part 192.721.

On June 28, 1999, the Commission issued a show cause order to Alice Lloyd and set a date for a hearing on the matter. Pursuant to that Order Alice Lloyd filed a response and requested an informal conference with Commission Staff and said conference was held on July 13, 1999. Subsequent to that conference Alice Lloyd filed a further response on July 27, 1999 to the allegations in which it requested the matter be submitted to the Commission upon the record. This matter now stands submitted.

After reviewing the record herein, the Commission finds as follows:

1. Alice Lloyd has waived its right to a public hearing and there are no additional facts to be submitted to the Commission.

2. Alice Lloyd has violated the federal and state regulations as set out herein.

3. A civil penalty should be assessed against Alice Lloyd pursuant to KRS 278.992(1) for the violations.

4. Alice Lloyd has demonstrated mitigating circumstances for the assessment of penalties under KRS 278.922(1) for the violations.

5. Alice Lloyd has agreed to additional safety testing and surveys for odorization and leakage on an annual basis.

The Commission, having reviewed the entire record herein and having been sufficiently advised, HEREBY ORDERS that:

1. Alice Lloyd is assessed a civil penalty of \$400 for its violations of 807 KAR 5:022, Section 14(25); 807 KAR 5:022, Section 14(21); 807 KAR 5:022, Section 14(23) and 807 KAR 5:022, Section 14(12). However, that penalty is suspended and held in abeyance for three years on the following terms and conditions:

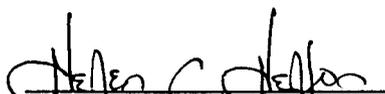
- a. If, upon a re-inspection by Commission staff in six months, there are no repeat violations.
- b. If there are no repeat violations for a period of three years.
- c. If the appropriate personnel of Alice Lloyd attend annually for three years gas safety training seminars such as those sponsored by the Kentucky Gas Association or the United States Department of Transportation/Office of Pipeline Safety.

2. Alice Lloyd shall perform weekly odorization tests and conduct annual leakage inspections both of which are more frequent than minimum Commission regulations.

Done at Frankfort, Kentucky, this 27th day of August, 1999.

By the Commission

ATTEST:


Executive Director

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
JUL 27 1999
PUBLIC SERVICE
COMMISSION

In the Matter of:

ALICE LLOYD COLLEGE)
)
 _____) CASE NO. 99-220
)
 ALLEGED VIOLATIONS OF)
 ADMINISTRATIVE REGULATION)
 807 KAR 5:022 AND 49 CFR 189-199)

ALICE LLOYD COLLEGE'S RESPONSE
TO INTRA-AGENCY MEMORANDUM

Alice Lloyd College has reviewed the Intra-Agency Memorandum dated July 16, and states that it waives its right to a public hearing regarding the alleged violations referenced above. It further asks that this Response be made part of the record herein and the matter be submitted to the Public Service Commission for decision.

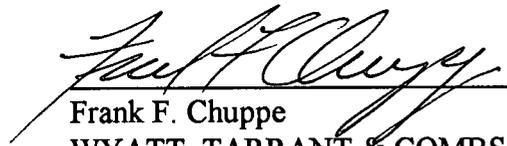
While Alice Lloyd College does not contest the factual accuracy of the Memorandum, it asks that the Public Service Commission waive or suspend the fine recommended by Public Service Commission staff. As indicated in the Memorandum, Alice Lloyd College's failure to conduct the annual inspections at issue derived solely from either incorrect information or its misunderstanding of information, received from Moore Pipeline Corrosion Service. It was not the result of a decision to ignore state regulations, nor even negligent attention to regulations. Under these circumstances it would serve no purpose to impose a fine upon Alice Lloyd College.

Moreover, as a result of more frequent inspections, Alice Lloyd College will now have significant costs added on a recurring basis, which should not be added to by imposition of a fine.

Finally, as stated in the Memorandum, Alice Lloyd College, at the recommendation of Commission Staff, has agreed to conduct leakage surveys on an annual basis, even though such surveys are only required every five years. This reflects the College's commitment to safety, notwithstanding the fact that more frequent leakage surveys will also mean increased costs for the College.

The circumstances leading to the violation discussed herein and the College's response to the Commission's action and recommendation demonstrate that a fine is unnecessary. Alice Lloyd College respectfully requests that the recommended fine be waived or suspended in this instance.

Respectfully submitted,



Frank F. Chuppe
WYATT, TARRANT & COMBS
Citizens Plaza
Louisville, Kentucky 40202-2898
(502) 562-7336

Counsel for Alice Lloyd College

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by U.S. Mail, first class, postage prepaid, this 26 day of July, 1999, upon Hon. J. R. Goff, Public Service Commission, 730 Schenkel Lane, P.O. Box 615, Frankfort, KY 40602.



Frank F. Chuppe



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602
www.psc.state.ky.us
(502) 564-3940

July 21, 1999

Mr. Frank F. Chuppe
Wyatt, Tarrant & Combs
Citizens Plaza
Louisville, Kentucky 40202-2898

Re: Case No. 99-220
ALICE LLOYD COLLEGE
ALLEGED VIOLATIONS OF ADMINISTRATIVE
REGULATION 807 KAR 5:022

Dear Mr. Chuppe:

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Any comments regarding this memorandum's contents should be submitted to the Commission within five days of receipt of this letter. Questions regarding this memorandum should be directed to J.R. Goff at 502/564-3940, Extension 261.

Sincerely,

A handwritten signature in cursive script, appearing to read "Helen C. Helton".

Helen C. Helton
Executive Director

JRG/v

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: File
Case No 99-220

FROM: J. R. Goff *J.R.*
Staff Attorney

DATE: July 16, 1999

RE: ALICE LLOYD COLLEGE
ALLEGED VIOLATIONS OF
ADMINISTRATIVE REGULATION 807 KAR 5:022

Alice Lloyd College ("Alice Lloyd") filed a Response to the show cause Order on June 28, 1999 and also requested an informal conference with the Commission Staff. An informal conference was held on July 13, 1999. Those present at the conference are listed on the attached attendance sheet.

At the informal conference Alice Lloyd did not contest the findings of the inspection report as to the lack of records and the violations of the regulations as contained in the inspection report attached to the Order of June 8, 1999.

Alice Lloyd stated that when it took over the system, it believed, from the information given by Moore Pipeline Corrosion Service, that it was required to do these inspections only once every 5 years.

Alice Lloyd and gas pipeline safety branch staff discussed the requirements and Alice Lloyd produced the records it is presently maintaining to comply with the requirements for which it was cited in the Staff inspection.

The report for the valve inspection was found to be in compliance as to form and content. The report for the regulator inspection was found to be in compliance as to form, but required the notation of the gas system MAOP. The report for the relief valve inspection was found to be in compliance as to form and content. The report for the system patrolling was found to be in compliance as to form and content. It was agreed that the patrolling reports needed to be kept on a quarterly basis.

MEMORANDUM: Alice Lloyd College
July 16, 1999
Page Two

The parties discussed two other requirements, which were not subject to the show cause order: first, conducting a leakage survey. 807 KAR 5:022, Section 14(13), requires periodic leakage surveys. The Staff recommends that the survey be conducted on an annual basis. Alice Lloyd is in accord with performing annual inspections in the interest of safety, but pointed out that the regulation could require only one inspection every 5 years. Alice Lloyd also pointed out the \$550 estimated annual cost involved.

807 KAR 5:022, Section 13(17)(g)4, requires an odorization test at least once each week. Alice Lloyd wanted the Staff's opinion as to the frequency of testing. It was agreed that Alice Lloyd should conduct this test weekly.

Staff informed Alice Lloyd that it would recommend that Alice Lloyd be assessed a civil penalty under KRS 278.992(1) of \$400. Alice Lloyd responded that its violations of the regulations occurred out of a mistaken belief that the reporting period was once every 5 years instead of annually; that it has taken steps to ensure that proper reporting is done in the future, and that it will agree to undertake annual leakage surveys. Alice Lloyd also pointed out that it is a small, private college and that any fine would impact on its operations.

There was no settlement agreement at this time. Alice Lloyd requested some time to discuss the matter with counsel and stated it would contact Staff concerning a settlement or setting a public hearing.

The conference was adjourned.



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

July 9, 1999

Danny Kimball
Director, Physical Plant
Alice Lloyd College
Caney Creek Community Center
Purpose Road
Pippa Passes, KY. 41844

RE: Case No. 99-220

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

Stephanie Bell
Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALICE LLOYD COLLEGE)
)
_____) CASE NO. 99-220
)
ALLEGED VIOLATIONS OF)
ADMINISTRATIVE REGULATION)
807 KAR 5:022)

O R D E R

Alice Lloyd College ("Alice Lloyd") is a master meter system operator that receives natural gas from Columbia Gas of Kentucky and Columbia Transmission.

On June 8, 1999, the Commission issued an Order to Alice Lloyd to show cause. On June 28, 1999, Alice Lloyd filed a response and motion for an informal conference with Commission Staff. Alice Lloyd also requested the show cause hearing be cancelled and the informal conference be held in its place.

The Commission, after reviewing the record, finds that an informal conference should be scheduled and that the public hearing should be continued.

IT IS HEREBY ORDERED that:

1. The public hearing set for July 13, 1999 is continued generally until further Orders of the Commission.

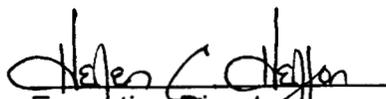
2. Alice Lloyd shall appear before the Commission on July 13, 1999, at 9:00 a.m., Eastern Daylight Time, in Conference Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of an informal conference with Commission Staff to consider any matter which would aid in the handling or disposition of this proceeding.

3. Alice Lloyd shall bring all documents to support its position and shall be represented by counsel authorized to enter into any settlement agreement.

Done at Frankfort, Kentucky, this 9th day of July, 1999.

By the Commission

ATTEST:


Executive Director

WYATT, TARRANT & COMBS

CITIZENS PLAZA

LOUISVILLE, KENTUCKY 40202-2898

502 589-5235

FAX: 502 589-0309

1700 LEXINGTON FINANCIAL CENTER
LEXINGTON, KY 40507-1746
606 233-2012

TAYLOR-SCOTT BUILDING
FRANKFORT, KY 40601-1807
502 223-2104

ELSBY BUILDING
NEW ALBANY, IN 47150-3440
812 945-3561

1500 NASHVILLE CITY CENTER
NASHVILLE, TN 37219-1750
615 244-0020

29 MUSIC SQUARE EAST
NASHVILLE, TN 37203-4322
615 255-6161

313 E. MAIN STREET, SUITE 1
HENDERSONVILLE, TN 37075-2546
615 822-8822

6075 POPLAR AVENUE, SUITE 650
MEMPHIS, TN 38119-4721
901 537-1000

10368 WALLACE ALLEY STREET, SUITE 6
KINGSPORT, TN 37663-3977
423 279-1825

WRITER'S DIRECT DIAL NUMBER

502 562-7336

June 25, 1999

Stephanie Bell
Secretary of the Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, Kentucky 40602

RECEIVED
JUN 28 1999
PUBLIC SERVICE
COMMISSION

RE: Case No. 99-220
Alice Lloyd College - Alleged Violations of Administrative
Regulation 807 KAR 5:022 and 49 CFR 189-199

Dear Stephanie:

Please find enclosed ten (10) copies of Alice Lloyd College's Response to the Commission's Order of June 8, 1999, and its Motion for Informal Conference, which we are submitting for filing. Thank you very much.

Very truly yours,

WYATT, TARRANT & COMBS


Frank F. Chuppe

FFC/kdg
Enclosures
E:\FFC\BELL.LTR.wpd

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALICE LLOYD COLLEGE)
)
)
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 ALLEGED VIOLATIONS OF)
 ADMINISTRATIVE REGULATION)
 807 KAR 5:022 AND 49 CFR 189-199)

CASE NO. 99-220

RECEIVED
JUN 28 1999
PUBLIC SERVICE
COMMISSION

MOTION FOR INFORMAL CONFERENCE

Pursuant to the Public Service Commission's Order of June 8, 1999, Alice Lloyd College moves the Public Service Commission to schedule an informal conference in this matter.

Further, it respectfully requests that the Public Service Commission convert the show cause hearing, now scheduled for July 13, 1999, at 9:00 a.m., to an informal conference, or otherwise postpone the show cause hearing to allow the Public Service Commission time to schedule and conduct an informal conference before the show cause hearing is held.

Respectfully submitted,



Frank F. Chuppe
WYATT, TARRANT & COMBS
Citizens Plaza
Louisville, Kentucky 40202-2898
(502) 562-7336

Counsel for Alice Lloyd College

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALICE LLOYD COLLEGE)
)
 _____) CASE NO. 99-220
)
 ALLEGED VIOLATIONS OF)
 ADMINISTRATIVE REGULATION)
 807 KAR 5:022 AND 49 CFR 189-199)

ALICE LLOYD COLLEGE'S RESPONSE
TO ORDER OF PUBLIC SERVICE COMMISSION

The Kentucky Public Service Commission's ("Commission") Order of June 8, 1999, directed Alice Lloyd College to respond to the allegations in the "Comprehensive Inspection Report of Alice Lloyd" dated April 26, 1999. Pursuant to that Order, Alice Lloyd College states as follows:

1. Alice Lloyd College is presently without knowledge or information sufficient to admit or deny the jurisdictional statement contained in the first paragraph of the Comprehensive Inspection Report.
2. Alice Lloyd College admits the portion of the report that alleges that it receives natural gas from Columbia Gas of Kentucky, Inc., and Columbia Transmission and then redistributes the gas throughout the campus for various purposes. Alice Lloyd College is presently without knowledge or information sufficient for it to admit or deny the allegation that it is a master meter operator under the law.
3. Alice Lloyd College admits as much of the report that alleges that Mr. Earl Alderman, Jr., conducted an inspection of Alice Lloyd College's plans and records relating to valve maintenance,

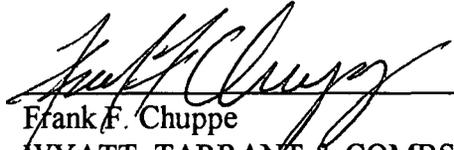
leakage surveys and other pertinent records. It further admits that it did not have the inspection records described in the Comprehensive Report at the time of Mr. Alderman's inspection.

4. Alice Lloyd College does not have sufficient information at this time to admit that the absence of such records constitute violations of the regulations cited in the Comprehensive Report. Nonetheless, Alice Lloyd College has no objection to submitting a compliance schedule for the Commission's approval that would address the areas cited in the Comprehensive Report. However, it would like to explain to the Commission the reason it did not have the inspection reports set forth in the Comprehensive Report. On March 28, 1996, Mr. Jackie E. Moore, of Moore Pipeline Corrosion Service, Mt. Sterling, Kentucky conducted a leak survey at Alice Lloyd College. Based upon comments made by Mr. Moore at that time, maintenance personnel at Alice Lloyd College believed it was only necessary to conduct the inspections (cited in the Comprehensive Report) once every five years.

5. Since receiving the Comprehensive Report and in response thereto, Alice Lloyd College has conducted a valve inspection, regular inspection, relief valve inspection, and patrolling inspection, and now has records of those inspections.

6. By separate Motion filed with this Response, Alice Lloyd College seeks an informal conference with the Commission. At that time it will seek the Commission's guidance and approval of a compliance schedule that addresses all of the areas set forth in Comprehensive Report.

Respectfully submitted,



Frank F. Chuppe
WYATT, TARRANT & COMBS
Citizens Plaza
Louisville, Kentucky 40202-2898
(502) 562-7336

Counsel for Alice Lloyd College

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COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

June 8, 1999

Danny Kimball
Director, Physical Plant
Alice Lloyd College
Caney Creek Community Center
Purpose Road
Pippa Passes, KY. 41844

RE: Case No. 99-220

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,
Stephanie Bell

Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALICE LLOYD COLLEGE)
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CASE NO. 99-220

ALLEGED VIOLATIONS OF
ADMINISTRATIVE REGULATION
807 KAR 5:022 AND 49 CFR 189-199

O R D E R

Alice Lloyd College ("Alice Lloyd") is a master meter system operator that receives natural gas from Columbia Gas of Kentucky and Columbia Transmission.

Alice Lloyd, as a master meter operator, is subject to the safety jurisdiction of the Public Service Commission of Kentucky ("Commission"), pursuant to KRS 278.040 and KRS 278.495. Alice Lloyd is also subject to Commission jurisdiction under the authority of and in compliance with federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations of 49 CFR 189-199.

Pursuant to these statutes and 49 CFR 189-199, the Commission promulgated Administrative Regulation 807 KAR 5:022. Commission Staff has submitted to the Commission a Comprehensive Inspection Report, dated April 26, 1999, in which Commission Staff alleges the following violations:

1. No valve inspection records for the years 1996, 1997 and 1998. 807 KAR 5:022, Section 14(25) and 49 CFR Part 192.747.

2. No regulator inspection records for 1996, 1997 and 1998. 807 KAR 5:022, Section 14(21) and 49 CFR, Part 192.739.

3. No relief valve inspection records for 1996, 1997 and 1998. 807 KAR 5:022, Section 14(23) and 49 CFR, Part 192.743.

4. No system patrolling records for 1996, 1997 and 1998. 807 KAR 5:022, Section 14(25) and 49 CFR, Part 192.721.

Based on its review of the Comprehensive Inspection Report, and being otherwise sufficiently advised, the Commission finds that *prima facie* evidence exists that Alice Lloyd has failed to comply with the regulations cited above.

The Commission, on its own motion, HEREBY ORDERS that:

1. Alice Lloyd shall appear before the Commission on July 13, 1999, at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of presenting evidence concerning the alleged violations and of showing cause why it should not be subject to the penalties prescribed in KRS 278.990(1) and KRS 278.992(1) for these alleged violations.

2. The Comprehensive Inspection Report of Alice Lloyd, dated April 26, 1999, a copy of which is appended hereto, is made part of the record of this proceeding.

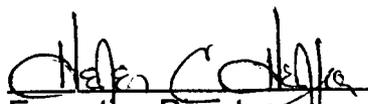
3. Alice Lloyd shall submit to the Commission within 20 days of the date of this Order a written response to the allegations contained in the Comprehensive Inspection Report.

4. Any motion requesting an informal conference with Commission Staff to consider any matter which would aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 8th day of June, 1999.

By the Commission

ATTEST:


Executive Director

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

COMPREHENSIVE INSPECTION REPORT

ALICE LLOYD COLLEGE
Pippa Passes, Kentucky

April 26, 1999

BRIEF

The comprehensive inspection of the natural gas piping system of the Alice Lloyd College ("Alice Lloyd ") in Pippa Passes, Kentucky was conducted on April 21, 1999. This inspection was conducted in accordance with the Public Service Commission's ("PSC") policy of inspecting all jurisdictional operators. Natural gas operators are jurisdictional to the PSC under KRS 278.040, 278.495 and also through a 5(a) Agreement with the United States Department of Transportation, Office of Pipeline Safety, for the enforcement of the Natural Gas Pipeline Safety Act of 1968.

INSPECTION

Alice Lloyd is a master meter operator with approximately 30 buildings that receives natural gas from Columbia Gas of Kentucky, Inc. and Columbia Transmission. It then redistributes the gas throughout the campus for various purposes including cooking, hot water, boilers, and heating.

A master meter system is defined in 49 CFR Part 191.3 as a pipeline system for delivering gas within, but not limited to, a definable area such as a mobile home park, housing or apartment complexes where the operator purchases gas from an outside source for resale through a gas distribution system. The gas distribution pipeline

system supplies the ultimate consumer who either purchases the gas directly or through other means, such as rent.

The intent of this inspection and subsequent inspections of other master meter operators is to afford the residents of these master meter complexes the same standards of safety that are required by other operators.

During the office inspection, a review was made of the Alice Lloyd's Operating and Maintenance and Emergency Plans, and records relating to valve maintenance, leakage surveys and other pertinent records.

During the field inspection, checks were on building regulators, system valves and regulator stations. Diamond Slone and Menefee Huff accompanied me on this inspection.

FINDINGS

The following deficiencies were found:

1. No valve inspection records for 1998, 1997, or 1996. 807 KAR 5:022, Section 14(25) and 49 CFR Part 192.747.
2. No regulator inspection records for 1998, 1997, or 1996. 807 KAR 5:022, Section 14(21) and 49 CFR Part 192.739.
3. No relief valve inspection records for 1998, 1997, or 1996. 807 KAR 5:022, Section 14(23) and 49 CFR Part 192.743.
4. No system patrolling records for 1998, 1997, or 1996. 807 KAR 5:022, Section 14(25) and 49 CFR Part 192.721.

RECOMMENDATIONS

It is recommended that Alice Lloyd:

1. Inspect all key valves in the system annually and maintain the records.
2. Inspect all regulators annually and maintain the records.
3. Inspect all relief valves annually and maintain the records.
4. Conduct system patrolling as required.

It is also recommended that in order to safely operate a natural gas system, maintenance personnel must have training on the safe and proper ways to respond to leakage calls and also how to handle gas in an emergency. This training is available through the Kentucky Gas Association. Further information on the Kentucky Gas Association training seminars may be obtained by contacting Dr. Paul Lyons, Kentucky Gas Association, 92 Chestnut Street, Murray, Kentucky 42071, (502) 753-2151 or (800) 455-9427, email: itskga@idd.net, web address: <http://www.kygas.org>.

It is also recommended that a copy of this report be sent to Alice Lloyd directing that it respond by May 30, 1999 with a schedule of compliance to the cited deficiencies for Commission approval.

Report – Alice Lloyd College
April 26, 1999
Page 4

It is further recommended that the Commission initiate a hearing to allow Alice Lloyd to show cause why it should not be penalized for failure to comply with Commission regulations.

Respectfully submitted,



Earl H. Alderman, Jr.
Gas Utility Investigator

LLA
WHR

EHA:dcp/9906300